

Message Text

UNCLASSIFIED

PAGE 01 KATHMA 01992 171228Z
ACTION NEA-10

INFO OCT-01 EB-08 ISO-00 /019 W
-----045556 171233Z /10

P R 171043Z APR 78
FM AMEMBASSY KATHMANDU
TO USDOC WASHDC PRIORITY
INFO AMCONSUL CALCUTTA
SECSTATE WASHDC 1741

UNCLAS KATHMANDU 1992

E.O. 11652: N/A
TAGS: BDIS, BEXVON NP
SUBJECT: FAULTY SHIPPING DOCUMENTS

1. EMBASSY HAS BEEN APPROACHED BY NEPALESE CONSTRUCTION COMPANY, JAYEE CONSTRUCTION PRIVATE, LTD (JCP), CONCERNING FOLLOWING PROBLEM: JCP IS WORKING ON WORLD BANK (IDA) FINANCED WATER AND SEWERAGE PROJECT IN KATHMANDU. IN CONNECTION THEREWITH, JCP ARRANGED PURCHASE OF SOME \$83,000 WORTH OF SPECIALIZED VALVES, ("ECENTRIC VALVES, TAPS, COCKS, VALVES, AND SIMILAR DEVICES") MANUFACTURED ONLY IN US FROM FIRM OF DEZURIK, DIVISION OF GENERAL SIGNAL MFG CORP, WITH ADDRESS LISTED AS SARTELL, MINN 56377.

JCP HAS JUST RECEIVED SHIPPING DOCUMENTS WHICH PRESENT MAJOR PROBLEMS AS FOLLOWS:
(A) OCEAN BILL OF LADING CONTAINS NO REPEAT NO NOTATION RE TRANSHIPMENT FROM PORT OF DISCHARGE (CALCUTTA) TO KATHMANDU, NEPAL. L/C ON OTHER HAND CALLS FOR "TRANSSHIPMENT IN BOND TO NEPAL". DEZURIK HAS ALREADY SPOTTED THIS ERROR AND HAS SENT TELEX TO JCP ASKING LATTER TO INSTITUTE ACTION WITH LOCAL BANK TO AMEND THIS POINT AND PERMIT PAYMENT TO DEZURIK. JCP NOT PREPARED TO DO SO BECAUSE OF OTHER ERRORS THAT LIKELY CAUSE PROBLDVS ON THIS END.
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KATHMA 01992 171228Z

(B) BILL OF LADING, PACKING LIST AND INVOICE ALL GIVE ADDRESS OF JCP AS "KATHMANDU, NEPAL, INDIA."
(C) ALL THREE DOCUMENTS ALSO CONTAIN NOTATION WHICH READS AS FOLLOWS: "THESE COMMODITIES LICENSED BY THE UNITED STATES FOR ULTIMATE DESTINATION INDIA. DIVERSION CONTRARY TO U.S. LAW PROHIBITED."

2. ABOVE ERRORS CREATE AT LEAST TWO PROBLEMS. (A) DEZURIK CAN'T GET PAID SINCE DOCUMENTS DO NOT CONFIRM NZO L/C. THAT COULD BE TAKEN CARE WITH AGREEMENT OF JCP, BUT WILL IN ADDITION REQUIRE APPROVAL BY IDA IN WASHINGTON SINCE AS FINANCER IT MUST GIVE FINAL CONCURRENCE. BUT, EVEN IF THAT ISSUE IS RESOLVED, IT WILL DO NOTHING TO SOLVE (B) PROBLEM LIKELY TO ARISE WHEN GOODS ARRIVE IN CALCUTTA AND THERE IS CONFUSION RE INTENDED DESTINATION OF VIEW OF FAULTY ADDRESSING AND OTHER INDICATIONS THAT INDIA IS ULTIMATE DESTINATION. LOGIC MIGHT PREVAIL BUT INDIAN CUSTOMS AUTHORITIES HAVE REPUTATION FOR BEING STICKLERS (AND, OF COURSE, IN THIS CASE WOULD BE WELL WITHIN THEIR RIGHTS). RESULT IS POSSIBILITY OF FREEZE ON GOODS IN CALCUTTA, WITH ACCUMULATION OF DEMURRAGE CHARGES AND DELAY IN PROJECT HERE, UNTIL REVISED DOCUMENTS, AGAIN REQUIRING ENDORSEMENT OF IDA IN WASHINGTON, CAN BE OBTAINED.

3. QUESTION IS WHAT CAN BE DONE? OBVIOUS ANSWER WOULD APPEAR TO BE ISSUANCE OF AMENDED DOCUMENTS, HOWEVER, TIME INVOLVED IN THIS PROCESS UNDER NORMAL CIRCUMSTANCES LIKELY TO BE LENGTHY, EXTENDING WELL BEYOND ETA OF SHIP IN CALCUTTA ON 5/16/78 (SHIP IS "VISHVA MAHIMA", WHICH DEPARTED NEW YORK ON 3/23/78). THIS ALL THE MORE SO IN THAT, ONCE AMENDMENTS RECEIVED AND APPROVED ON THIS END, THERE IS STILL REQUIREMENT FOR REFERRAL BACK TO IDA FOR FINAL OKAY. CAN USDOC SUGGEST ANY WAY IN WHICH MATTER MIGHT BE RESOLVED IN MORE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 KATHMA 01992 171228Z

EXPEDITIOUS FASHION? AT MINIMUM, WE SUGGEST THAT DEZURIK BE CONTACTED IMMEDIATELY BY PHONE, THAT ERRORS IN DOCUMENTS BE POINTED OUT, AND THAT FIRM BE ASKED TO REISSUE AMENDED DOCUMENTS ASAP. SECOND POSSIBLE ACT OF ASSISTANCE MIGHT BE CONTACT WITH IDA EITHER BY DEZURIK OR USDOC OR BOTH) TO EXPLAIN SITUATION AND SEEK TO EXPEDITE ITS END OF TRANS-ACTION. IS THERE ANYTHING THAT MIGHT BE DONE HERE TO FACILITATE MATTERS? ON LATTER POINT, JCP HAS ASKED IF EMBASSY COULD CERTIFY THAT GOODS ARE OF U.S. ORIGIN AND DESTINED FOR NEPAL, THAT ERRORS HAVE BEEN MADE IN SHIPPING DOCUMENTS, BUT THAT WE HOPE CLEARANCE FROM CALCUTTA CAN BE APPROVED WITH AMENDED DOCUMENTS TO FOLLOW. JCP HOPES SUCH STATEMENT MIGHT FACILITATE COOPERATION ON PART OF INDIAN CUSTOMS. WE UNCERTAIN OF LEGAL IMPLICATIONS OF SUCH ACTION ON PART OF EMBASSY AND WOULD APPRECIATE WASHINGTON VIEWS AS TO WHETHER SUCH COURSE OF ACTION DEEMED ADVISABLE.

4. PLEASE ADVISE ASAP.
EAVES

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 17 apr 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KATHMA01992
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780164-0108
Format: TEL
From: KATHMANDU
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780450/aaaabqgb.tel
Line Count: 113
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 96f827ad-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2949258
Secure: OPEN
Status: NATIVE
Subject: FAULTY SHIPPING DOCUMENTS
TAGS: BDIS, BEXP, NP
To: COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/96f827ad-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014